

Amended - September 13, 1993

NEW JERSEY WATER SUPPLY AUTHORITY

CODE OF ETHICS

1. AUTHORITY

In accordance with N.J.S.A. 52:13D-23, the New Jersey Water Supply Authority hereby promulgates this Code of Ethics to govern the conduct of all Commissioners and employees of the Authority.

2. GENERAL PRINCIPLES

(a) The effective administration of the laws applicable to the New Jersey Water Supply Authority depends to a great extent on the public confidence in those individuals who administer and execute the laws. The reputation of the Authority can best be maintained when those individuals obey not only the literal requirements of State laws governing their conduct, but by their conduct in support of the moral and ethical principles behind those laws.

(b) The Conflicts of Interest Law (N.J.S.A. 52:13D-12 et seq.) establishes general standards of conduct for State officers and employees and Special State officers. This Code of Ethics is promulgated in conjunction with that Law and is intended to establish specific standards of conduct necessary for the proper and efficient operation of the Authority.

(c) The Conflicts of Interest Law contains specific requirements for the conduct of State officers, employees, and Special State officers as well as penalty provisions for violations of the Conflicts Act and this Code of Ethics. All employees and Commissioners shall familiarize themselves with the Conflicts Act, N.J.S.A. 52:13D-12 through 13D-27.

(d) Pursuant to N.J.S.A. 52:13D-23(e)(7) no Commissioner or employee of the Authority should knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he or she may be engaged in conduct violative of his or her trust as an Authority Commissioner or employee.

(e) Every job in the Authority involves a degree of trust and responsibility. To insure the effective regulation of the Authority's facilities and to maintain public confidence in the Authority, it is imperative that Commissioners and

employees avoid conduct which is in violation of their public trust or which creates a justifiable impression among the public that such trust is being violated. It is recognized that there might be questions of interpretation and judgment which enter into the application of the Authority's policy on this Code of Ethics, and that some Commissioners and employees may have questions from time to time which they may like to discuss regarding the situation. Any employee or Commissioner who has a question about his or her situation should discuss it with his or her supervisor, or the Authority's Ethics Officer. Commissioners and employees may also request an opinion from the Executive Commission on Ethical Standards, CN 082, Trenton, New Jersey 08625 (609) 292-1892.

(f) The term "immediate family" as used in this Code of Ethics shall mean the person's spouse, child, parent or sibling residing in the same household.

(g) The term "doing business" as used in this Code of Ethics shall refer to any entity which is contractually obligated to the New Jersey Water Supply Authority.

3. APPLICABILITY

This Code is applicable to the Commissioners and employees of the Authority, whether in the classified or the unclassified service, whether temporary or permanent, N.J.S.A. 52:13D-13b, 52:13D-23 and 52:13D-13e. It is deemed to have been accepted as a condition of employment by any individual who continues to be or becomes a part of the Authority or staff after its effective date. If any section, subsection, paragraph, sentence or other part of this Code is adjudged unconstitutional or invalid, such Judgment shall not affect, impair or invalidate the remainder of this Code, but shall be confined in its effect to that part of the Code ruled unconstitutional or invalid.

4. OUTSIDE EMPLOYMENT AND INTERESTS

(a) No Commissioner or Authority employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

(b) No Commissioner or employee shall undertake any employment or service, whether compensated or not, which might reasonably be expected to impair objectivity and independence of judgment in the discharge of official duties.

(c) No Commissioner or Authority employee shall act in their official capacity in any matter wherein they have a direct or indirect personal financial interest that might reasonably be expected to impair objectivity or independence of judgment.

(d) No officer or employee shall engage in outside employment or act as an independent contractor, whether or not for compensation, without first submitting a written request for approval to the Executive Director, or his designee. The approval of such outside activity shall not be unreasonably withheld. The provisions of this paragraph are not intended to supersede or conflict with any negotiated labor agreement which may govern an officer's or employee's rights and obligations in this area; nor are they intended to apply to Special State officers or employees.

Every State officer or employee who is granted an approval pursuant to the provisions of Paragraph (d) shall promptly file a copy of the approval with the Executive Commission on Ethical Standards and, thereafter annually on the first day of the month of June, shall disclose in writing to the Executive Commission on Ethical Standards whether the officer or employee is still engaged in the outside employment, self-employment or other business activity. A copy of the annual disclosure shall be provided to the Authority's Ethics Officer. Annual disclosure to the Executive Commission on Ethical Standards shall not be required if the Executive Director determines, at the time of approval, that the outside employment, self-employment or business activity is unrelated to the State officer's or employee's position with the Authority.

5. ACCEPTANCE OF GIFTS

With respect to the acceptance or solicitation of any gift, favor, service at preferential rates, employment, offer of employment or any other thing of value, all employees and Commissioners are subject to the provisions of N.J.S.A. 52:13D-14, 52:13D-24 and 52:13D-23(e)6, which provide as follows:

“No State officer or employee, special State officer or employee, or member of the Legislature shall accept from any person, whether directly or indirectly and whether by himself or through his spouse or any member of his family or through any partner or associates, any gift,

favor, service, employment or offer of employment or any other thing of value which he knows or has reason to believe is offered to him with intent to influence him in the performance of his public duties and responsibilities. This section shall not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office." N.J.S.A. 52:13D-14.

"No State officer or employee, special State officer or employee, or member of the Legislature shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift or other thing of value from any source other than the State of New Jersey, for any service, advice, assistance or other matter related to his official duties, except reasonable fees for speeches or published works on matters within his official duties and except, in connection therewith, reimbursement of actual expenditures for travel and reasonable subsistence for which no payment or reimbursement is made by the State of New Jersey. This section shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office." (N.J.S.A. 52:13D-24).

"No State officer or employee or special State Officer or employee should accept any gift, favor, service or other thing of value under circumstances from which it might be reasonably inferred: that such gift, service or other thing of value was given or offered for the purpose of influencing him in the discharge of his official duties. (N.J.S.A. 52:13D-23(e))6.

Furthermore, Commissioners and Authority employees shall not solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift or other thing of value from any source other than the Authority, for any service, advice, assistance, or other matter, related to his or her official duties. Reasonable fees for speeches or published works on matters within his or her official duties as Commissioner or Authority employee and reimbursements for actual expenditures connected therewith for travel and reasonable subsistence, which is not paid by the Authority, may be accepted only after approval of the Authority's Ethics Officer. Full disclosure shall be made by an employee or Commissioner to the Authority's Ethics Officer in the event of any offer of a gift, service, other thing of value or reimbursement. The Authority's Ethics officer may seek the advice of the Executive Commission on Ethical Standards.

Except as noted elsewhere in this Code, employees are responsible for full payment for the costs of their meals, beverages, lodging and entertainment and may not accept the same from any person, partnership or corporation doing business with the Authority, contemplating such business, or seeking to influence official actions. Reimbursement by the Authority for expenses is limited to those allowed by and in amounts permitted in the established personnel policies of the Authority.

(a) The acceptance of any gifts, preferential loans, services at preferential rates, discounts, gratuities or anything of monetary value from a person or organization doing business with the Authority or the granting of special treatment or favors to such persons or organizations for the purpose of obtaining personal gain, is a conflict of interest. Under this section, the term persons includes agents or organizations doing business with or contemplating doing business with the Authority.

This section covers such gifts, loans, services, discounts, gratuities, or anything of monetary value that are made directly or indirectly to a Commissioner or employee for the purpose of influencing them in their official duties. Made indirectly means offered to a Commissioner's or an employee's immediate family or organization designated by the Commissioner or employee.

(b) Examples of gifts include cash, liquor, personal or household goods, use of cars, lodging and other favored treatment. This section also includes a specific prohibition,

with the limited exception of subsection C below, against the acceptance of beverages or entertainment from persons, corporations, utilities or law firms representing corporations or utilities, doing business with the Authority or contemplating doing business with it.

(c) Any Commissioner or employee who receives an invitation to any Authority business-related function (a conference, groundbreaking, open house, fund-raiser, appearance involving honorarium, etc.) from a person, corporation, utility or a law firm representing a utility, corporation or person doing business with the Authority or contemplating doing business with the Authority, should report the invitation to the Authority's Ethics Officer. A determination in consultation with the Authority's Ethics Officer for compliance with ethical standards will then be made as to whether representation of the Authority is appropriate, whether acceptance of the invitation will present any problems of conflict with the Code, and whether the Authority might wish to underwrite the costs incurred with participation in the activity as an alternative to accepting the offered invitation.

6. USE OF OFFICIAL POSITION OR INFORMATION

(a) No Commissioner or employee shall use or attempt to use his or her official position to secure unwarranted privileges or advantages for himself or herself or others. This provision shall include, but not be limited to, a prohibition on the use for private purposes of Authority personnel, including secretarial services, and equipment during working hours. No employee shall be coerced into performing any services for private purposes even though after hours.

(b) No Commissioner or Authority employee shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to a member of the public which he or she receives or acquires in the course of and by reason of his or her official duties. No Commissioner or Authority employee shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he or she receives or acquires in the course of and by reason of his or her official duties.

(c) No Commissioner or Authority employee shall use his or her official position or authority to influence or control, in any manner whatsoever, either directly or indirectly,

another person's right to vote for political candidates of his or her choosing, or to contribute or to refuse to contribute to political parties or candidates.

7. ACTIVITIES PERMITTED

(a) Commissioners and employees of the Authority may publish articles, accept speaking engagements or take part in educational endeavors, provided such activities do not in any way impair the ability of the Commissioner or employee to fulfill official responsibilities and such activities are consistent with the obligations placed on Commissioners and employees by the Conflicts of Interest Law and this Code of Ethics. If these activities are related to Authority business the Commissioner or employee shall comply with the requirements of paragraph B.

(b) Prior written notice is to be given to the Authority before the undertaking of such activities related to Authority business. This notice shall contain a description of the proposed activity as well as whether compensation will be received. Notice shall be provided in writing to the Authority's Ethics Officer seven working days before any such activity is undertaken.

(c) Commissioners and employees shall reimburse the Authority in those instances when the Commissioner or employee is compensated for expenses by both the Authority and some other source as a result of such activity.

8. POST-EMPLOYMENT RESTRICTION

(a) No Commissioner, subsequent to his or her term, or employee, subsequent to termination of his or her employment with the authority shall represent, negotiate on behalf of, or provide information not generally available to members of the public or service to, or agree to represent, appear for or negotiate on behalf of, or provide information not generally available to members of the public or service to, whether by himself or herself, or through any partnership, firm or corporation in which he or she has an interest or through any partner, officer or employee thereof, any person or party other than the authority in connection with any cause, proceeding, application, or matter upon which he or she has, given any opinion or been otherwise substantially and directly involved at any time during the course of his or her employment or term of office.

9. CONFERENCES, CONVENTIONS, MEETINGS

(a) No Commissioner or employee of the Authority shall attend a convention, meeting or other event sponsored by any organization or an industry or any person, corporation or firm under contract with the Authority as a representative of the Authority without obtaining the prior approval of the Authority's Ethics Officer. The Authority's Ethics officer may seek the opinion of the Executive Commission on Ethical Standards at any time.

(b) No Commissioner or employee of the Authority shall be reimbursed by any organization, or agency, other than the Authority when attending as a representative of the Authority except as is specifically permitted by N.J.S.A. 52:13D-24.

10. HATCH ACT

Every employee whose principal employment is in connection with an activity which is financed in whole or in part by loans or grants made by the federal government is subject to the provisions of the Hatch Act. At the present time, the Authority is not receiving any federal funding.

11. INDEPENDENT CONTRACTORS

Independent contractors are not subject to the provisions of this Code. They are governed by the terms of the specifications and contracts by which they are hired by the Authority. Examples are the management audit contracts; engineering contracts; and contracts for work to be performed on Authority facilities.

12. VIOLATIONS

Commissioners and employees of the Authority who violate the provisions of this Code may be subject to removal, suspension, demotion or other disciplinary action by the Authority deemed appropriate. Said Commissioner or employee may also be subject to investigation by the Executive Commission on Ethical Standards and the penalties provided in N.J.S.A. 52:13D-21.

13. EXECUTIVE COMMISSION ON ETHICAL STANDARDS

(a) The Executive Commission on Ethical Standards is responsible for enforcing the Conflicts of Interest Law and interpreting its provisions. It has jurisdiction to conduct

investigations, to initiate, receive, hear and review complaints concerning violations of the Conflicts Law or Code of Ethics, and is authorized to render advisory opinions as to whether a given set of facts and circumstances would constitute a violation of those provisions or a code of ethics promulgated pursuant to the Conflicts of Interest Law.

(b) Pursuant to N.J.S.A. 52:13D-21(i), any State officer or public employee found guilty by the Executive Commission of a violation of any provision of this Code shall be fined not less than \$100 nor more than \$500 and may be suspended from his or her office or employment by order of the Executive Commission for up to one year. If the Commission finds that the conduct constitutes a willful and continuous disregard of the provisions of this Code, it may order such person removed from office or employment in this State in any capacity whatsoever for up to five years from the date on which he or she was found guilty by the Executive Commission.

(c) Any questions concerning the application of this Code of Ethics or the Conflicts of Interest Law should be promptly directed to the Commissioners of the Authority or directly to the Executive Commission on Ethical Standards. Any Commissioner or employee of the Authority may directly contact the Executive Commission on Ethical Standards without prior notice to the Authority.

14. ETHICS REVIEW COMMITTEE

An Ethics Review Committee is hereby established within the New Jersey Water Supply Authority. The Committee shall review Conflict of Interest Questionnaires prepared by all Senior Authority employees and shall advise the Authority of the existence of possible conflicts. This Committee shall be Chaired by the Authority's Chief Engineer who will serve as the Authority's Ethics Officer.

EFFECTIVE DATE

This Code shall take effect on _____ subject to the approval of the Executive Commission on Ethical Standards.